

**CHARLES UNIVERSITY IN PRAGUE  
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INTERNATIONAL ECONOMIC AND POLITICAL  
STUDIES**

**MASTER'S THESIS**

**THE INTERESTS OF THE EUROPEAN UNION IN  
CENTRAL ASIA**

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## **Abstract**

Central Asia is located at the crossroads of Europe and Asia. The region includes five different countries, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. The countries differ in the terms of the economic development, and a degree of the openness of the national economies, as well as in the foreign trade and the orientation of the foreign policy. Some states of the region belong to the poorest countries of the world while the others keep a quite successful way of the economic development. In the region there are countries which retain sufficiently isolated from the world economy (such as Turkmenistan and Uzbekistan) and Kazakhstan which formed an open liberal economy since gaining the independence. Also there are countries which focused on the development of cooperation with Europe as well as the other regions abroad and at the same time there are countries aimed at preserving and developing the deeper ties with neighboring Russia and China.

In June 2007 the European Council of the EU adopted a new strategy towards Central Asia for the period from 2007 to 2013. And despite the strategy is short-term, yet it is a political document (Council of the European Union, 2007). In accordance with the adopted «Strategy for a New Partnership» the EU engages with the region in many areas, such as the economic development, trade, human rights, good governance, education, a rule of law, security, energy issues, etc. The thesis has got a purpose to give the overview of the existing relations between Central Asia and the European Union in the case study of the Republic of Kazakhstan after the adoption of the Strategy. In the thesis the analysis and the evaluation of the existing cooperation between two different regions is mainly given concerning some strategically important for the EU issues which are presented in the Strategy, such as strengthening the energy and transport links, promotion of the economic development, trade, investment and the issues of security.

In the thesis there is an analysis of the existing relations between Central Asia region and particularly the Republic Kazakhstan and the other international actors, such as China, Russia, the United States, Iran and Turkey as well as their interaction with the EU concerning Kazakhstan and the other parts of the Central Asian region.

In conclusion there is an analysis of the existing problems in relations between the EU and the Central Asian region, particularly the Republic of Kazakhstan in general and the possible ways of solutions of these problems as well as the recommendations in order to make the cooperation between two regions more effective.

## DECLARATION

I hereby declare that this Master thesis is my own work based on the sources and literature listed in the appended bibliography and it has not been submitted for any other academic purpose. Master's Thesis as submitted is 104,153 keystrokes long (including spaces), i.e. 46 manuscript pages.

Your name: Anel Bersimbayeva

27<sup>th</sup> July 2012

## **Acronyms**

**CIS** – Commonwealth of the Independent States

**ECO** – Economic Cooperation Organization

**EU**- European Union

**NATO** – North Atlantic Treaty Organization

**OSCE** – Organization for Security and Cooperation in Europe

**OPEC** – Organization of the Petroleum Exporting Countries

**SCO** – Shanghai Cooperation Organization

**The Strategy** - «European Union and Central Asia: Strategy for a New Partnership»,  
of June 2007

**UK** – United Kingdom of Great Britain and Northern Ireland

**U.S. (A.)** – United States of America

## Introduction

*Geography has made us neighbours.  
History has made us friends.  
Economics has made us partners,  
and necessity has made us allies.*

***John F. Kennedy***

The growing dependence on the energy resources of the international community determines the growing influence of the energy factor in international relations, geopolitics and the global economy. The attention is increased to those countries and regions which could supply enough oil and gas reserves. These are Russia, the Gulf countries, Africa, the Caspian region and finally Central Asia. In such circumstances should be paid much attention to the energy diplomacy as a means of the effective tool for defending the national and especially the economic interests.

The relevance of the topic is determined by the need to analyze the EU strategy for Central Asia, to determine the level of its impact on the further development of the region, searching for the optimal interaction model and the format of the partnership and cooperation between the EU and the Central Asian countries in a changing environment.

Central Asia is becoming more attractive and interesting for the European Union. However, the European policy in the region is accompanied by a number of difficulties as well as facing many barriers. There is a growing activity of the countries which are in close geographical proximity to the region, such as Russia which is one of the key players in the global energy market as well as the major supplier of the energy and China with a rapidly growing economy and increasing energy consumption. The U.S. is among the major geopolitical actors which has got a significant impact on the region. No less important are the other regional players, such as Turkey, Iran, etc.

The EU has to import the energy resources mainly from Russia, Norway, North Africa, and also to a lesser extent from West Africa and the Middle East. The EU ran into a new reality when the energy demand is growing and their reserves are depleted in Europe. It is possible to state the energy issue became one of the integral parts of all the external relations of the EU.

So, the goal of the Master Thesis is to answer the main questions:

- 1) What are the main interests of the EU in Central Asia?

2) What factors conditioned the EU to change its passive policy towards Central Asia and intensify the cooperation with the countries of the region, especially with the Republic of Kazakhstan?

3) How the cooperation between the EU and the Central Asian countries may affect the development of the region? 3) Is Central Asia could really considered as the alternative source for a diversifying the European energy supply?

4) Do the regional and the international actors (Russia, China, the U.S., Turkey and Iran) affect the bilateral relations between Europe and the Central Asian countries?

5) And what are the prospects of the development of cooperation between the EU and Central Asia?

The selected topic is relatively new in the field of Political Studies and International Relations. And for the present time there aren't so many works which deal with the issues of the mutual relations between such two different actors as the EU and Central Asia. And the work explains the main ideas on the particular example of the Republic of Kazakhstan. The work gives a real assessment of the developed Strategy by the EU in relation to the Central Asian region and effectively shows all its strong and weak points. By the way in the work was also used the analysis of the existing relations between Central Asian states particularly Kazakhstan and such influence actors as Russia, China, the U.S. as well as Iran and Turkey and their influence on the relations between two different regions. And finally it gives the determination of the possible effective ways in the mutual beneficial cooperation between the EU and the Central Asian region on the case of the Republic of Kazakhstan.

While work was mainly used the method of analysis which makes the interpretation of the EU foreign policy in relation to Central Asia as well as the external policy of Kazakhstan. «The Strategy for a New Partnership» of the EU in Central Asia for period 2007-2013 as the official document of the EU was also interpreted by means of the analysis. The System of approach and Comparison let to determine the location of Central Asia in the external relations of the EU as well as in the external relations of the other international actors. The Republic of Kazakhstan was reviewed as a case study in the research.

The thesis is structured as follows.

**Chapter I:** *The EU and Central Asia.* The main aim of this chapter is to give the overview of the formation of the fundamentally new independent countries, particularly the Republic of Kazakhstan and show the external policy of the country as well as its geopolitical significance due to the geographical location and the presence of huge energy resources on its territory.

**Chapter II:** *The Strategy of the European Union in Central Asia.* The Chapter deals with the analysis of the main official document of the EU in relation to Central Asia for period 2007-



2013. There is an assessment of the Strategy, the positive and strong points as well as the analysis of the shortcomings of the document. Also there is an explanation of the importance of the developed Strategy by the EU and finally the Chapter gives the interpretation of the main interest of the EU in the Central Asian region which deals with the energy resources of the region.

**Chapter III:** *Central Asia as the alternative way of solving the problem of the energy security of the EU.* The Chapter explains why the EU could consider Central Asia as the alternative way for the EU for solving its energy security problem as well as why the cooperation with Kazakhstan could be considered by the EU as a challenge and opportunity at the same time. There is an identification of the exact factors which determine the cooperation of the EU and Kazakhstan. Also there is an explanation why the cooperation of the EU and Kazakhstan could be considered also as a mutually beneficial.

**Chapter IV:** *Role of the other «big players» in Kazakhstan and their interaction with the EU.* The Chapter determines the important role of the other influential states, such as Russia, China and the U.S., Iran and Turkey which are engaged in Central Asia and have their own interests in the region as well as their interaction with the EU. Also it's possible to see the assessment of the influence of these states to the relations between Central Asia and the EU.

## **Chapter 1: The EU and Central Asia**

### **1.1. The role of Kazakhstan in the geopolitical space of Central Asia**

The collapse of the Soviet Union and the formation of the new independent states have changed the geopolitical map of the world and led to the formation of the fundamentally new geopolitical space in Central Asia. Currently there is an active process of the transformation in the Asia region where intersect the interests of a number of the major powers and the other sectors of the international life. It could be stated the balance of power in the world also depends on the direction in which the situation will develop in this region. And the events in this region can cause the changes in the geopolitical space of the entire Eurasian continent. A famous American politician Zbigniew Brzezinski identified the region of Central Asia including the Caucasus and Afghanistan, as the «Eurasian Balkans» considering the potential impact on the processes of Eurasia. The basis of Kazakhstan's foreign policy is the «principle of a multi-vector». And the multi-vector in this context means the development of friendly and predictable relations with all the countries that play a significant role in the world affairs and presenting for the country a practical interest. Kazakhstan due to its geopolitical position and the economic potential is not entitled to focalize only on the regional issues. The future of Kazakhstan in Asia, in Europe and the East and West. However, the changing international and geopolitical processes put forward the new challenges to the whole international community as well as to Kazakhstan. The objective factors influencing the geopolitical situation of Kazakhstan are the following. At first is the presence of the significant energy resources as well as the other minerals in the country. Also one of the main factors is the transport and the communications capabilities of the country as well as the involvement of Kazakhstan in the global economic processes and the integration projects. Taking into account the above factors it becomes clear the overall situation will depend on the behavior of the whole region and the foreign policy of the Central Asian states.

What is the role of Kazakhstan in this complex geopolitical process? Answering this question it's possible to review such areas as quality and content of the chosen course of the state, its ability to realize the economic potential and ensuring the internal stability and security, the competence, and a harmonization with the international processes, all these issues have a decisive influence on the geopolitical situation in the region.

Considering the issue of the stability in the region it should be noted Kazakhstan is the largest country by the occupied territory in Central Asia. The state has got a strategic position between China and Russia in terms of the military, political, commercial and the economic importance. Thus, it's quite logic the security of the region, drug trafficking, terrorism,

infiltration of the radical extremism and finally the migration impose a considerable responsibility on Kazakhstan for the action to address these very difficult issues. The uniqueness of Kazakhstan's location at the crossroads of the Eurasian geopolitical relations, the trend of the increasing interaction between the world and the regional powers determines that Kazakhstan could be considered as one of the main elements of security and in general it's possible to determine the state as a distinctive element of stability in Eurasia.

Definitely, the dynamic and sustainable development of Kazakhstan, the increase of its value to the world community can only occur under the conditions of stability and the geopolitical equilibrium. Among the priorities for improving the region's geopolitical position will continue to be a desire to neutralize the adverse processes in Central Asia, in particular, one of them is in the future the threat of a possible deterioration of the relations between the world powers for the spheres of the influence in the region. Thus, one of the main conditions for stability in the region is the tendency to further internal and inter-regional integration and a cooperation (including such areas as the introduction of a coordinated policy in the field of transport and communication, the use of energy and water resources). And in this case, Kazakhstan is given a very demanding role as the state conducting an active policy in the region with the purpose to join the efforts of all the states in the region to create the necessary conditions to ensure the interests of all the countries in the region.

And no doubt the largest plans and the projects are primarily related to the oil reserves. Many hubs with the participation of a number of the great powers are around the Caspian Sea. But none of these countries have sufficient financial and technological resources, and none of these countries could be a key country. Therefore, they are forced not to dictate, but only take part in the «games» around the Caspian Sea. And here appears the importance of Kazakhstan as a leader in the region which affects the geopolitical situation in the whole region.

## **Chapter 2: The Strategy of the European Union in Central Asia**

### **2.1. Kazakhstan and the EU. Interaction in the energy sector.**

Adopting the Strategy in 2007 the EU marked the development of the relations with the Central Asian region as the «new partnership». It was due to the need to review the relationship in the context of the globalization when it's time for a new level of the cooperation between the EU and Central Asia.

Seven main areas were highlighted in the Strategy. Thus, the EU clearly defined its interaction with the Central Asian region for the period 2007-2013. As the main official document in relationship between Europe and Central Asia, the Strategy followed the main idea to develop the regional cooperation which considered the importance of Central Asia as a whole region rather than five separate countries. But a development of the new European instrument had been faced with many problems of the organizational and political character, when the 27 EU member states do not have a single configuration, pursue their own interests and their own line of a conduct in relation to each Central Asian country in particular and the region as a whole. Therefore, the main idea of the Strategy is the recognition of its regional and a bilateral character. Such an approach may follow the dual purpose: on the one hand the EU seeks to develop the relations at the regional level, on the other hand recognizing the peculiarity of each of the country in the region the EU supports the bilateral cooperation as a following way «the state – the member state of the EU – the Central Asian country». In general despite the existence of the Strategy since 2007, the convergence of the EU with the Central Asian states is very slow, as the EU does not make a full use of its geopolitical potential in the region and has got the other priority areas of its influence (on the Balkans, the Mediterranean, etc.). The EU also concerned about the competition from the other powerful «players» in the region, such as Russia, China and the United States. In addition, the existence of a complex decision-making mechanism within the EU is a real barrier for reaching the strategic goals. All these facts explain a weak presence of the EU in the region while the most active development of the relations is observed in the bilateral relations. For instance, Germany actively continues to keep a policy of the cooperation with the Government of Kazakhstan at the bilateral level. By the way it should be noted exactly Germany was the initiator of Strategy's establishment. Nevertheless, for the last time, the EU as an important geopolitical «player» tries to become more active in the region and a policy of the «new partnership» of Europe proves that Central Asia is strategically important for Europe and the issue of security in the region is also the security aspect of the European space.

Thus, considering the raw potential of Central Asia and its location at the crossroads of Europe and Asia the region is recognized as an important energy and transportation hub.

For the countries of Central Asia the EU Strategy is of great importance since it gives an opportunity to implement the regional projects that promote an active integration of Central Asia into the global community. In addition, the successful implementation of the Strategy can work together across two regions, Central Asia - the European Union and thus, it increases the importance and significance of Central Asia in the global economy. One of the main areas of European policy in the region specified in the Strategy is to strengthen the cooperation in energy and energy security. However the EU energy policy has got its own peculiarity, especially at the present time when the emphasis is placed on the diversification of the suppliers and the potential ways to deliver the hydrocarbons to the EU. In this area, the EU faces three major challenges. At first, Europe does not have a specific long-term energy policy in Central Asia. Then there is a strong competition between the world and the regional powers in the Central Asian region. And finally, Europe has no direct access to the region of Central Asia. In this regard Europe which is the second-largest energy consumer in the world should actively pursue the energy dialogue with the Central Asian countries within the new Strategy. This problem is actualized for the European consumers after the conflict of Russia with Belorussia in 2007 concerning the increase of the prices for the energy and the introduction of the export duties on Russian oil for Belorussia and the gas conflict between Russian and Ukraine in 2008-2009. These events had a destabilizing effect on the energy market of the European countries and contributed to the adoption of some measures in order to search the opportunities to diversify the energy supplies from the Middle East and Central Asia. Thus, a major crisis between Russia and Ukraine revived the European project «Nabucco» and pushed the EU to take the maximum measures for the rapid implementation of this idea.

The Prague Summit «Southern Corridor» which took place in May 2009 didn't bring the expected results except the signature of the declaration on the construction of a pipeline from the Caspian basin to Central Europe by Azerbaijan, Georgia and Turkey. The Turkish side expressed its concern that there wasn't any progress in the negotiations with Europe concerning the possible accession of Turkey to the EU.

It could be explained that the Turkish government seeks the way to improve their chances in the issue of Turkish integration into the European community and tries to show its importance as a major transit country in the «Nabucco» project which is so important for the EU. Kazakhstan, Turkmenistan and Uzbekistan considered as the potential suppliers did not provide the univocal positions on the Nabucco project. The representatives of these countries at the

summit in Prague did not take any duties concerning the project. Thus, in spite of the political activity of Europe about the project there wasn't observed any significant progress. And for the present «Nabucco» project faces many challenges. First is the refuse by Hungary in taking part in the project which could doubt the reliability of the project. Also there wasn't determined a definite source of project's financing. A lack of the necessary funds and a fear of the financial institutions with the respect to the guarantees for the supply of gas don't allow carrying out the influence of the capital in the project. Then there is a question of filling the pipeline by the exporting gas. So far, there isn't formulated a certain list with the main suppliers of the project. Thus, the EU tries to establish the negotiation process with Iran, Irak and the Central Asian countries concerning the issue of gas supply. And finally, the question of Turkey's accession to the EU could become a problem of the future of «Nabucco» as at the EU summit in Prague in 2009 the Turkish side stated it support to the project is linked to the process of Turkish integration to Europe. But it could be stated the most of the EU Member States do not agree with such position. Thus, the realization of Nabucco is associated with the various issues of the geopolitical, economic and technical nature which greatly complicates its possible implementation. In addition, there is no unity of the positions of the Member States concerning the commercial status of the project and its importance in ensuring the energy security. Another possible cooperation of European-Central Asian relations is «Trans-Caspian gas pipeline». In fact, this pipeline project is beneficial both for Europe and Central Asia. However, in the short term perspective, the restriction of monopoly power by Moscow in the gas market as well as the construction of any alternative transport system is not expected, since the implementation of the project «Trans-Caspian gas pipeline» connected with the number of risks which are of the environmental, geo-political and legal character.

So, these are the complex of the main issues and interests of the EU in the Central Asian region and particularly in Kazakhstan.

As for Kazakhstan the new partnership Strategy is an important phase in its relations with the EU. As a country leading in the implementation of the EU Strategy Kazakhstan aims to realize the potential that contains the document. Due to the fact that Europeans are outlined its Strategy as a newly founded partnership, thus pointing out that Europe is only in the beginning to discover the Central Asia region Kazakhstan should make every effort to create a positive image of the country on the European continent which will provide a fruitful perspective cooperation in all the spheres of the both beneficial relationship.

So, at the present time Europe is focusing on finding the alternative ways to provide the energy, the deficit turned from the issues of the private interests to the regional interests of the EU. Kazakhstan also makes the efforts to select and use more profitable alternative route, which

in the long term perspective could remove the dependence of Astana on Russia, despite the present apparent beneficial cooperation in the energy sector between these two countries. As for Kazakhstan one possibility is in considering the diversification of the energy exporting routes to Europe. The access of Kazakhstan to the European energy market will provide many benefits to Kazakhstan, such as the increased geopolitical weight of the country, increase the energy independence of Kazakhstan, the possible new energy markets, the independent pricing, the investment and new technologies in oil and gas industry and etc. In this regard considering the whole context of a new partnership Strategy it could be estimated as a positive one as opens the opportunities in the relations between Kazakhstan and the EU in the energy sector which is not limited to the sale of raw materials, but examines a wide range of such issues as water resource management, the development of new oil, gas and hydropower resources, an improvement of the existing energy infrastructure and a development of the energy transport networks.

In general, it should be noted that the provisions of the EU Strategy in Central Asia are of a common nature. But the main strategic aim of the EU in the region is to diversify the EU energy saving due to the hydrocarbon resources of the Caspian Sea.

## **2.2. The general analysis of the «Strategy of the EU in Central Asia».**

Due to some material and structural reasons the Central Asian states constitute a relatively coherent region (R. Legvold, 2003). While analyzing the EU relations with the region it's possible to make an analysis of the developed Strategy of the EU concerning Central Asia. In general there are some main points of the Strategy and it could be described by the following way.

According to the official document of the Strategy which is considered for the period of 2007-2013 the relevant EU objectives in the region are as follows: 1) to ensure the stability and safety of the countries in the region; 2) to assist in reducing poverty and raising living level; 3) to encourage the regional cooperation between the states of the region as well as between these States and the EU, especially in the field of energy, transport, education and protection of the environment. First of all, the document informs Central Asia is a bridge between Europe and Asia, as well as the membership to the OSCE (i.e. the European political space.) The EU and Central Asia have some common goals in maintaining the stability and achieving prosperity. As in the previous EU strategic documents, the recent Strategy focuses on human rights issues, so-called "Good governance" and democratization. This strategy of the EU considers such areas as maintaining the youth and educational policy.

The integral part of the policy according to the Strategy is to support the economic development, trade and investment. The EU will encourage and support the integration of

Central Asia into the global trading and economic system, especially through the institutions of the WTO, also the EU will support the reform of the financial systems of the countries in the region and promote regional trade. The EU will study opportunities to improve the conditions for the penetration of the local goods to the European market and expand the technical assistance.

As the measures of the strategic nature the EU will maintain a regular political dialogue on the level of the Foreign Ministry, the EU will offer «The European educational initiative» and «The European Initiative by law management»; and establish the regular and results oriented dialogue of human rights separately with each of the Central Asian states, will hold a regular energy dialogue with the countries of the region.

A key element of the EU Strategy is to ensure the sustainable exploitation and the extraction of the resources, which requires sustained investment in the energy sector.

The EU is ready to consider all the options for the development and transportation of the resources from the region. The aim of the EU for the prospect is to create the integrated energy market in Central Asia, which is a condition of the large-scaled investment from Europe.

The Strategy explains the EU pays enough attention to the environment and water resources. The EU will pay more attention to the technical and technological assistance. Finally, the Strategy concludes in issues of common threats and challenges faced by the EU and Central Asia.

Here also the focus is on the fight against the organized crime, drug trafficking and illegal migration. As a main tool of its policy the EU will use the intercultural dialogue. At the same time Europe will require a respect for the religious freedom from the local government.

As any program the Strategy at first view is even perfect and deals with many important issues and problems of the region. But it also has got some gains and shortcomings which should be taken into consideration.

Providing the financial and legitimately recourses as well as the support and a real will to support in democratic issues are the positive items of the program. Also there is a real good experience of the EU to mobilize the natural resources. So, these are the positive items of the cooperation and they are worth of attention.

One of the most obvious shortcomings of the Strategy is the fact of differences between all five Central Asian countries in political, economic and the other characteristics. This is quite obvious fact. It should be more clearly defined the objectives and priorities of the EU policy in relation to each of these five Central Asian countries, based on a thorough analysis of the situation in the region.

Also it seems problematic the execution of the traditional emphasis on human rights and its protection as well as a rule of law reflected in a number of areas of the Strategy. Despite their



undoubted importance and significance, as the practice of bilateral cooperation with the countries of Central Asia they are often either ignored altogether or give a way to more important interests of the EU in the region. It could be confirmed by the events of the second half of 2007 in Turkmenistan.

In spite of numerous protests of Turkmen human rights activists the EU did not cut any contacts with Ashgabat, but expanded them. And the main reason was the EU based mostly on its energy interests and considerations in the region.

It should be noted the possible conflict between the EU and Russia on the use of the energy in the region. The problem of the energy security in Europe and prospects for its support through the Central Asian region came to the forefront of the European politics. Despite the "non-aggressive" strategy the stumbling block for the EU remains the issue of the energy independence of Europe on Russian gas and it should be taken into consideration the significant proportion of which is due to Central Asian segment. However, for the present time it is clear Moscow has managed to find some effective ways to strengthen its leadership in this market. As a result the trans-Caspian project «Nabucco» the aim of which is the transportation of the energy resources to Europe bypassing Russia has «hung in the air». Even the project is really lobbied by the EU.

And finally the problem of limiting funds of the EU to execute the Strategy. Despite the growing economic crisis in Europe, the EU anyway fulfills the obligations to finance the realization of the Strategy program. The real problem is the lack of any monitoring of the funds providing by the EU.

In such circumstances this can only lead to the increase of corruption in the states of Central Asia and a failure of these countries about the adopted commitments.

There is an opinion the EU should change the policy of the passive reaction to the policy of the advanced actions. So far, the EU policy had only a reaction to what is happening. These measures should be strategic, rather than adjustable. N. Norling (2007) and P. Nicolas (2009) showed the establishment of the stable regimes in the countries of Central Asia would create the area of security, which separates Europe from the unstable parts of the Islamic world.

In general the European experts do not have the single opinion concerning the importance of Central Asia for the EU. It's interesting how the European experts evaluate the experience of the EU in Central Asia before the adoption of the Strategy. And in general it could be characterized as a negative one.

The EU did not reach any of the strategic goals which were set in 1990's. The poverty still exists, the situation with the human rights and the level of democracy remained the same and finally the European energy interests are not protected by the EU. In the sphere of security the

situation is the same. The behavior of the EU in relation to energy policy and democracy in the region should be more confident and realistic. In addition, the EU could more strictly follow the strategy with the other international actors, such as NATO and the OSCE (A. Warkotsch, 2006).

Later, exactly after the adoption of the Strategy the evaluation of the situation seems to be more positive. Despite a strong influence of Russia and China in Central Asia the EU still have enough influence to act as a counterweight to these two regional superpowers (A. Schmitz, 2008).

Summarizing the above mentioned facts it's possible to conclude that despite the Strategy itself is a positive step in the development of the cooperation between the EU and Central Asia its performance and achieving the goals does not look like easily achievable. The significant role in its success should be due to the policy of the countries of Central Asia basing on a reasonable compromise of their own interests and those of its European partners as well as the unconditional adherence to the generally accepted democratic norms and traditions.

### **Chapter 3: Central Asia as the alternative way of solving the problem of the energy security of the EU**

For the present time the European energy diplomacy undergoes a major transformation. Central Asia is becoming more attractive and interesting for the European Union due to some facts, such as the growing tension in the volatile regions of the world, the revolutions in the North Africa and the Middle East which were the main suppliers of the energy resources for the EU for a long time. Thus, for today the EU is in a real demand of the energy resources and at the same time with a big desire to free themselves from a dependence on Russia and the OPEC countries in total imports of the energy resources. So, the EU adopted the Strategy for Central Asia calculated for period of 2007-2013. It should be noted the special attention in the Strategy was paid to the issues of energy and energy security.

It's possible to identify a number of the factors determining the cooperation of the EU and Kazakhstan. These are following.

1. In general a growing demand for hydrocarbons as the main energy source in Europe and in the world causes the increase in dependence of the European Union on the energy imports.
2. A desire to avoid the dependence on Russia's supply as well as the supply from the countries of OPEC make the EU to look for the diversification of the energy supply.
3. Instable receipt of Russian oil and gas through the territory of Ukraine which consequently threatens the energy security of the EU.
4. A stable political and economic situation in the Republic of Kazakhstan, development of legislation in the area of the financial system, labor market and the protection of the foreign investments.

In these circumstances Kazakhstan as a promising and a profitable exporter of the energy resources gets a great opportunity for the discussion and adoption of the real instruments as a part of the problem of ensuring the energy security of the EU.

The huge reserves of oil and gas in Kazakhstan make it a very attractive partner for the EU. And Kazakhstan, in its turn needs to have such reliable partners as the European Union to ensure the stable markets for its products. The task for the EU is to develop a mutually beneficial partnership through a dialogue between the energy producers.

In this case the EU believes Kazakhstan is able to provide a strong political support in the important issue of a diversification of the energy routes and at the same time to improve the security of the energy supply for the EU. By the way Kazakhstan will have a possibility to higher the export prices for their country, and for the other energy producers.

Kazakhstan is also more than just interested in deepening the relations with the EU. «Path to Europe» is the developed state program of Kazakhstan. It's defined by the importance of solving the actual problems of the internal development of Kazakhstan as well as by the necessity of introduction to the European experience of integration, a legal and institutional reform and governance in order to improve the quality of life in Kazakhstan society. So Kazakhstan is the only country in Central Asia implementing the specific actions to enhance the cooperation with the EU within the framework of such a state developed program.

The energy security is a priority aspect for Europe which presents almost in every new policy document, agreement, memorandum, conferences and forums, bilateral and multilateral negotiations. The influence of the energy factor also affected a selection of the strategic partners for the EU in the region. The energy factor played a key role when the relations of the EU with the Central Asian countries were in the very beginning. Europe used a general term «policy in Central Asia», however, the relations with the countries of the region were differentiated. And it's quite logic the countries which had a significant amount of the natural resources were more preferable for the cooperation than the other countries. Consequently, the intense communication and a great interest the EU started with Kazakhstan, Turkmenistan and Uzbekistan. Thus, annually Kazakhstan is a major regional exporter of the hydrocarbons to the EU, the amount of supply reaches 20% of the total imports of oil and gas supplied to the EU. According to the Agency on Statistics of the Republic of Kazakhstan, the proportion of some countries in Europe reached a very significant level, 74% for Italy, 11% for the UK and 10% for Germany (Analytical center «Prudent solutions», 2006).

It could be stated the Western Europe has got a considerable influence on Central Asia.

The influence is much greater than for example, Turkey, Iran and the other countries of the Middle East though geographically they are not so far from the Central Asian region as exactly Western Europe has got a sufficient capital for the development of region's economy.

So, oil and gas reserves as well as the geographical position between Europe and Asia at the crossroads of the strategic energy routes make Kazakhstan as one of the alternative key figures in ensuring the Eurasian energy security. The interests of Kazakhstan concern a broad involvement of the European capital for the economic recovery as well as a solution of the social and the environmental problems, an expanding of trade and economic relations, the usage of the integration experience of the EU in conducting its own foreign policy.

The energy policy of Kazakhstan presents both the opportunities and the challenges for the European strategy of a diversification. On the one hand the implementation of «Nabucco» and Trans-Caspian pipeline projects create a favorable opportunity for a supply to the EU. But on the other hand the rivalry between Russia and especially China is likely to become a serious threat to the European strategy.

Thus, as it was already mentioned the strategy of the EU aims to strengthen Europe's relations with the Central Asian countries in order to ensure a free access to the energy market of the region. But Europe will have to make much efforts to get the strict positions in this energy market as Central Asia and particular the Republic of Kazakhstan are not only in the interests of the EU. There are other no less strong and significant «players» in the region which are also very significant in the global energy market. And in order to consolidate its own positions the EU will have to compete with these other «great powers» for the possession of the energy resources in the region.

It's necessary to pay enough attention to the importance of Europe's regional policy. As through its principles and methods of conducting a dialogue with the other countries it has got an opportunity to prevent a tough competition for the possession of the energy resources and to maintain stability in Central Asia without allowing a predominance of any one nation. As it's quite clear the growing role of Kazakhstan in the transcontinental energy security is due to its large energy reserves in the oil and gas sector. In addition it is one of really stable states in the region. For this reason Europe relies on Kazakhstan in this «high energy game».

The EU is interested in strengthening the stable democratic regimes with the market economies in Central Asia, so that consequently will lead to reduce of the conflicts in the region as well as to the successful fight against the illegal migration and a drug trafficking which in turn provide the conditions for the improvement of the European companies work in the region, especially in the energy sector. And strengthening a position of the EU in the region is due to its intention to diversify American and Russian political influence and to keep in future the economic cooperation. The EU is the largest consumer of the exports from Central Asia and the diversification of the energy flows as well as the expansion of the energy system will lead to a stable market for the Central Asian countries.

So Europe is looking for the ways to the market of Central Asia in order to prevent the situations like when Russia cut gas supply through the territory of Ukraine as the long breaks in the energy supply is dangerous for economy and may lead to the destabilization of not only a separate state, but also the entire regions. This makes the EU is very interested in diversifying the energy resources, suppliers and the routes.

## **Chapter 4: Role of the other «big players» in Kazakhstan and the other Central Asian countries. The interaction of these states with the EU.**

### **4.1. Russia**

Russian Federation doesn't have any official document concerning its strategy relating to the Republic of Kazakhstan. But it's possible to note some important issues in the bilateral relations. In general by many objective and subjective reasons, Russia and Kazakhstan remain extremely connected nations. As for Kazakhstan Russian territory is the main transit area, the Russian domestic market is the main consumer of Kazakh products, Russia is a leading economic partner. For Moscow Astana is also not only one of the leading economic partners of the former Soviet space, but a location of the key military and space structures of the Russian Federation as well as the geo-strategic area protecting against threats to Russia from the south.

It's possible to note some main issues in the bilateral relations between Kazakhstan and Russia. So called «soft power» issues (which mean using of Russian language and culture in Kazakhstan), as well as the issue of security and the issue of energy resources consider as one of the priorities of the bilateral relations between the countries. Describing the «soft power» of Russia in Kazakhstan it's necessary to note the predominance of it is mainly based on the Russian language. The most influential media on the region, both local and from Russia use Russian language and Russian is still used as a language for the local elites in Kazakhstan (N. de Pedro, 2009).

So the widespread usage of Russian language in Kazakhstan gives a real priority for Russia as for the main partner of Kazakhstan in many spheres of activity between the two countries.

Russia has a very concrete and tangible interest in Kazakhstan in its national security. A part of the strategic infrastructure of Russia is located on the territory of the Republic of Kazakhstan; both countries have got the agreements in the field of security within the Organization of the Collective Security Treaty as well as only bilaterally, military industry and the army of the two states are closely related. Also in some regions of Kazakhstan Russia has got the geopolitical interests, primarily in the Caspian Sea. And a very important factor is the close location of the substantive and the strategic nuclear potential of Russia to the Kazakh-Russian border.

Also in the period of 2000-2001 one of the main issues of security between Kazakhstan and Russia was the equal relations of the two states to the antiterrorist operation in Afghanistan as well as to the military bases in the antiterrorist coalition region. There were many official meetings of the Presidents of the two states in that period concerning the above mentioned issue. Later besides the security cooperation between Russia and Kazakhstan the final agreement also

was reached on the delimitation of the continental shelf in the northern part of the Caspian Sea as well as ratified by the appropriate agreement.

This meant that both countries stand on the Caspian Sea problem with the same positions. Beyond all the issues in bilateral relations of Kazakhstan and Russia is the issue of the energy resources and cooperation in the economic sector. Russian foreign policy concentrates on using the economy (more precisely - energy cooperation) as a powerful tool for the pre-attainment of the foreign policy goals. This concerned both Russia relations with the West and Asian countries (China and Japan). But even more degree of "energy strategy" Russia has shown itself in its relations with the CIS countries, particularly with the Republic of Kazakhstan. No doubt the main interest in Central Asia (and area for rivalry) for the EU and Russia, as well as for the other powers, is energy (M. Denison, 2009). Kazakhstan is rich of natural resources. Thus, the country is of real interest for Russia as well as for the other states. The huge amount of hydrocarbon production from the Republic of Kazakhstan is exported by means of Russian pipelines to the other countries.

In the beginning of 2000s the cheapest route for Kazakhstan oil exports was via the Atyrau-Samara pipeline to Russia, which connects Kazakhstan's oil pipeline network, and owned by KazTransOil along with Transneft, Russia's state-owned pipeline monopoly. The transit tariff was US\$0.73/tonnes/100 km, which translated into around US\$2-3 per barrel, excluding the tariff through Kazakhstan (A. Cohen, 2006).

A real breakthrough was made by Russia in May 2007 during The Energy Summit in Turkmenbashi city. V. Putin, N. Nazarbayev, G. Berdymukhammedov took part in this summit and signed the Declaration on the construction of the Caspian Gas Pipeline with the capacity of 10 billion cubic meters with the future prospect of increasing it to 30 billion cubic meters as well as the expansion and modernization of the existing pipeline system Central Asia-Centre.

As a result in a perspective the power of transporting gas from Central Asia to Russia will rise from the current 60 billion cubic meters up to 90 billion cubic meters in 2014. So, Russia strengthened its role as a main actor dealing with the transit of hydrocarbons from Central Asia to Europe. That time the summit showed the EU a real power of the Russian Federation concerning the issue of transiting huge natural resources from the rich Central Asian region.

The EU is really concerned with this project as this project again confirms Russia's importance and monopoly in the region. Russia took its own benefit from the absence of any alternative routes and as it's possible to note the country paid extremely low price to Kazakhstan for the transportation of hydrocarbons to the other countries. Also it should be taken into consideration Russia had a privilege to decide how much oil can leave Kazakhstan and to which destination it can flow (N. de Pedro, 2009). The situation was changed in 2009 due to the

constant interest of the EU and the other powerful states to the natural resources of Kazakhstan and as a consequent the competition between all the interested countries. Russia changed its pricing concerning hydrocarbon production of Kazakhstan and in 2009 started to pay the price which was fixed on the international market. So, increasing competition from the possible European and especially Chinese buyers compelled the Russian energy firm to increase its payments (N. de Pedro, 2009).

It's quite evident the creation of the new pipeline routes could be considered as a real benefit for the Republic of Kazakhstan as well as for the European Union. As this meant a real decrease in dependence on Russian pipelines and as a consequent the less dependence on the policy of Russia concerning the transportation of Kazakhstan's hydrocarbon production.

In 2000 the EU originated the project later known as «Nabucco» which is intended to complete the circuit between Turkey and Europe, and serve as the alternative to the project of the Russian «Gazprom» which in its turn succeeded to become the only operator of the gas flows from Kazakhstan as well as from the other Central Asian countries to the EU. Even «Nabucco» is one of the most costly and complex projects in the world.

The pipeline will link the Eastern border of Turkey, to Baumgarten in Austria - one of the most important gas turntables in Central Europe - via Bulgaria and Romania. Its length will stretch approximately over 3900 km and the total investment officially will reach about €7.9 billion. The pipeline is expected to deliver up to 31 billion cubic meters of gas annually. The construction will start at the end of 2013. The first gas is going to flow at the end of 2017 (NABUCCO Gas Pipeline, 2012). So «Nabucco» project view seems as the real opportunity for the EU to get the energy resources without any participation of the Russian Federation. And the single rival to «Nabucco» project is the South Stream pipeline project which is in the South corridor. According to the project, the South Stream will provide at the first South East Europe annually with 63 billion cubic meters of gas (NY Times, 2011).

These two projects could be considered as the rival ones just due to the same target country. V. Putin in his interview said he had nothing against the construction of the «Nabucco» pipeline (Voice of America, 2012). In fact recently Hungary which is one of the initiators of the project refused its participation in «Nabucco». It means the project is not so important. Even for the present time the only source of filling the pipeline is mainly due to Azerbaijan and which is not sufficiently enough for realizing the project. During the EU Summit "Southern Corridor - New Silk Road" which was held on 8 May 2009 in Prague was planned a signing the declaration on a construction of the new gas pipelines bypassing Russia. But the main gas supplier countries Kazakhstan, Turkmenistan and Uzbekistan refused to sign it. Consequently, this means the priority of Kazakhstan as well as Turkmenistan and Uzbekistan in dealing with the energy issues



is given to Russia. And for «Nabucco» project again raises a problem of raw production's sources. Under these circumstances, the implementation of «Nabucco» project should be postponed or frozen. Or another option is radically change the project. In general, the EU has got an opportunity to supply gas from Libya through Italy which might be like the alternative to Russian gas. But considering the unstable political situation in the North Africa such an option can not provide the energy security of Europe, so this scheme can not be regarded as a major. To some extent, dependent on Russia the EU could reduce the expense of its own gas fields in the North Sea, but from an economic point of view, this option also has got many disadvantages.

In particular, the production of gas in this region can not provide the whole need of the EU requirements in the gas fuel. Also one of the options for the EU is a search for the opportunities to use the alternative energy sources. The funds which were intended for the construction of the gas pipeline «Nabucco» would bring much more benefit on existing developments in the field of the alternative power as well as funding a research to find the new opportunities for obtaining the energy. Concerning the Republic of Kazakhstan as well as for the rest Central Asian region the Russian Federation continues to be one of the main partners in economy and security issues.

But Kazakhstan as well as the whole Central Asian region has got a real need to cooperate with the EU. Good governance, the rule of law, human rights, democratisation, education and training are key areas where the EU is willing to share the experience and expertise. The EU can offer its experience in the regional integration leading to the political stability and prosperity which is very important for Kazakhstan (Council of the European Union, 2007). The EU effectively deals with such problems as corruption, poverty, good governance etc. And finally, EU could be addressed as the permanent partner in economic affairs. The Russian Federation as well as Kazakhstan should use the great experience of the EU in such issues. Hence, Russia couldn't be served as a good example for Kazakhstan in such affairs as human rights, democratization, rule of law etc.

The Republic of Kazakhstan should actively cooperate both with the EU and the Russian Federation in order to become a great country with good governance and a highly developed economy.

## **4.2. China**

Chinese policy towards Kazakhstan defined and developed slowly considering a high degree of respect and careful attitude to such a powerful neighbor state to Kazakhstan as Russia. Initially in Beijing the question of Russian influence in the region seemed quite natural. China

tried not to challenge the dominance of Russia; especially it did not want a conflict of the interests and a direct confrontation with Russia.

For the present time China permanently increasing its influence in a whole Central Asia. In a middle term perspective there is an obvious possibility for China to become a leading external partner of the Republic of Kazakhstan.

There are many important issues and missions for China in Kazakhstan and only some of them stand on the agenda for the Chinese government. The security and stability issue in the Western provinces as well as the weakening of the significance and influence of the US in the region. And on the front stands the issue of energy policy which is closely connected with the increase of Chinese geopolitical influence. It regards the Republic of Kazakhstan in the context of a whole Eurasia. Kazakhstan could be called a bridge between East and West not only in the geographical sense, but also politically. Therefore, China is very interested in stability and prosperity in the region. In addition China has a real interest in cooperation with the powerful united Europe which requires finding the possible links to the European Union.

And Kazakhstan could be served as such a link between China and the EU as the united Europe considers Kazakhstan as one of the possible alternative ways for solving a problem of the EU concerning a lack of the energy resources. Thus, China has got some certain reasons to consider the cooperation with Kazakhstan as a perspective for the further access to the EU markets.

The current economic relationship between China and the other countries, especially in the energy sector are based exclusively on a pragmatic basis and they are supported by the influence political contacts in the government of a partner country. This is the exact case in the relationship with the Republic of Kazakhstan. So, these components as well as a real desire to get the energy resources from Kazakhstan strengthened the position of China in the region and played a crucial role in the current state of investment cooperation between these two countries (KAZENERGY, 2011). It's not a secret China is interested mainly in natural resources of the region in order to resolve its own long-term industrial projects. And considering the current pace of trade and investment expansion in the region as well as the scale and global economic development China has got a real chance to become a dominant «player» in the market of Kazakhstan. It should be noted Kazakhstan can not substitute the energy market of Middle East for China despite a large scale of the potential projects of the energy cooperation with Central Asia and Eurasian energy exporters. As for China the resources of Kazakhstan are important as the auxiliary source of the primary energy.

Consequently, China is a natural geographic partner of Kazakhstan not only in the projects of the Asian-European transport corridor, but in the future plans of the energy corridor service "China-Middle East". Very close geographical location and a quite satisfactory organized system of the transport infrastructure in the energy sphere makes Kazakhstan as reliable partner in the economic affairs for China.

China permanently uses very close personal ties at the level of the governments between two states regardless of who exactly holds the highest positions in the different period of time. By the way the country always offers Kazakhstan very favorable financial conditions for all gas and oil deals in comparison with the other countries. Thus, the recent soft loan from China by Kazakhstan in the amount of \$ 5 billion for the construction of petrochemical complexes just proves the pragmatically behavior of China in relation to Kazakhstan (KAZENERGY, 2011). It's really worth of attention the issue of the cooperation between two countries in constructing the new pipelines in order to transport the resources from the territory of Kazakhstan to China. It could be interpreted as the real interest of China in the long-term perspective rather than just the short-term one.

For the present time Chinese oil companies extracted 22 out of total 40 million tons of oil in Kazakhstan. «PetroKazakhstan» considered as the largest Chinese investment projects undertaken in Kazakhstan. China National Petroleum Corporation acquired 70% stake in this company. The amount of Chinese investments in Kazakhstan is really significant. Thus, in 1999 China invested only \$ 5 million in the Kazakhstan oil sector, but in 2010 year this figure had risen for more than a hundred times and reached \$ 550 million (KAZENERGY, 2011).

In general, the overall strategy of China's investment in the energy sector of Kazakhstan looks really pragmatic and counted to the last detail. By the way it looks like profitable one for Astana. Further implementation of Chinese policy in the energy market of Kazakhstan may prevent only some global changes in the world or exactly in the energy market.

No doubt, the economical presence of China in Kazakhstan could be characterized as a profitable and long-lasting in perspective for both sides, but anyway it also has got some certain problems and shortcomings.

One of the main concerns for Kazakhstan relates to the fear of the excessive Chinese control over the energy market of Kazakhstan as well as the increase of the indicator of corruption in the foreign trade operations. Also a real concern is about the overflow of the Kazakhstan market by the goods produced in China and thus a degradation of the domestic industry.

In general does not inspire the credits of Chinese policy in relation to Kazakhstan. For the present time China is ready to provide loans to many different states. But the main idea is the loans can be used only for the projects with Chinese participation or for the purchase of goods manufactured in China. It's quite simple. This can be explained following way. Kazakhstan borrows from China, thus contributing to economic growth of China, as well as contributes to the increasing Chinese presence and influence in the region.

And finally is a demographic pressure on Kazakhstan from China and Chinese labor migration. In this connection there aren't any positive developments most likely the situation will only worsen. And a huge amount of illegal migration from China to Kazakhstan will only increase. Also it should be taken into consideration Kazakhstan has not verified the benchmarks of the immigration policy for the future. It could be said in general the migration policy is absent for the present time. Hence, the services of the responsible offices for migration urged to monitor and regulate the migration flows can not be effective. Even they do not have more or less accurate information on the exact amount and composition of migrants and it's needless to say about the tracking trends in the migration midst.

On the one hand the Chinese labor migration to Kazakhstan is a big problem for Kazakhstan, on the other hand it is a quite natural process. But in fact in the context of migration it's necessary to consider the arrival of Chinese laborers for the limited and a clearly defined term in the contract and the migrants should return to China after the certain term. And at the same time Kazakhstan should create a possibility of obtaining the legal status of those Chinese citizens who invests in the economy and who are highly qualified professionals in the various fields and consequently are able to assist in creating the development country. So, these are the major shortcomings of Chinese cooperation with Kazakhstan.

The real worth of attention is Shanghai Cooperation Organization (SCO) which was formed in 2001 and comprised Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan (A. Hug, 2010). The forming of SCO initially was understood as a means for cooperation in such fields as security, economy and culture between member countries. But in fact it was a strategic decision of China in relation to its increasing interests in Central Asian area. In Beijing realized the negative attitude to the rising Chinese power in Central Asia by the United States and the whole West and it was necessary to expect the other «big players» could take measures to limit its growth. By the way China understood it's not ready to compete with them and in agreement with Russia, China initiated a creation of the new regional institutional organization. Thus, was formed SCO. The main idea was it could help China to achieve its regional policy as well as ensured the presence of China in the territory of the Central Asian republics. Mostly due to the SCO China managed to solve its own important for that time

problems. Moreover China got the possibility to act directly and legitimately on the territory of the former Soviet Union without any objections from the West and Russia. This Beijing strategy was directed in solving many problems of the region, develop the cooperation between member states and promote region's stability and development and finally to implement its strategic interests concerning the natural resources of Central Asia, particular the Republic of Kazakhstan.

Thus, taking into consideration all the mentioned facts and events in the cooperation between the Republic of Kazakhstan and China and paying enough attention to the influence of China in the region it could be said it's profitable for the EU to cooperate in its turn with China in order to realize some its own aims and plans concerning the region successfully. Even these two absolutely different «big players» have got some common deals in the region which mainly concerns the energy sector, the security and stability issues. The main idea is that such cooperation of China and the EU concerning Kazakhstan could lead to creating the impetus to the wider international energy cooperation in the heart of Eurasia which will guarantee the stability and the sustainable development of Kazakhstan and will be profitable for the EU and China.

#### **4.3. The United States of America**

For the present time it's possible to determine some main interests and priorities of the U.S. policy in Kazakhstan. The first is Kazakhstan and the other states of the Central Asian region could assist in a matter of stabilization the security in Afghanistan as well as in a fight against the drug trafficking. Even not least in a stable situation in Afghanistan is given to its relations with the neighboring Central Asian states. Since the increasing of the problems in Afghanistan raises the question of stabilization of this region as a main priority for the U.S. Also it's important for the U.S. to maintain the stability and independence of Kazakhstan. The real interpretation of such a will of «maintaining the independence of Kazakhstan» is a policy of the containment of Russian influence in the region. And prevent any possibility for Russia to play a crucial role in the region. The important issue of the U.S. policy is due to the fight against the spread of the weapons of a mass destruction or any components of such weapons. The incentive for the U.S. to intervene in the above mentioned affairs of the region was explained by the presence of the former Soviet nuclear weapons on the territory of Kazakhstan. Even the last warhead was taken from Kazakhstan in 1995. However, the interest in the region from this point of view is not limited just by the interest in the former Soviet nuclear weapons. It should be noted, Kazakhstan has got a global significance of the uranium reserves and the nuclear technologies. The U.S. also interested in maintaining the military presence in the region at least in the medium term perspective. Even the military bases in the region in addition to the fight

against international terrorism and drug trafficking are considered by the U.S. as a real guarantee against Russian and especially Chinese expansion in the region as well as a real way to control over the developed transport corridor «Europe-Asia» and a control over the energy resources of the Caspian Sea. The issue of the energy resources was traditionally on a highest importance within the framework of the U.S. foreign policy. Thus, providing a free access to the energy resources of the region considered as the important issue of the U.S. national security. For more than a decade, the U.S. has worked to ensure that oil and gas from Kazakhstan would reach global markets via multiple pipelines, avoiding Iran and promoting the alternatives to the Russian controlled routes. The U.S. companies hold the big stakes in Kazakhstan's two largest oil and gas projects, Tengiz and Kashagan, both of which lead to export pipelines in a westerly direction via the CPC to Black Sea ports (F. Cameron, 2009).

And it's quite understandable the «big player» is interested in ensuring the promotion of its own commercial interests and the access to the energy resources of Kazakhstan to the U.S. companies. So, this energy policy is considered in the context of expanding the geography of the world's energy sources and a diversification of its transportation in order to create the necessary preconditions of a stable supply. Finally, the interest in the energy resources of the region is closely connected with the issue of its security.

The relation of the U.S. to SCO is worth of attention. The U.S. could be considered as the "unofficial player" of the SCO, as Russia and China which are two leading powers of the organizations have the close economic and strategic ties with Washington. Moreover, the U.S. officially presented in Kazakhstan and definitely influence on the foreign policy of the country. And the attitude of the U.S. to SCO should be regarded in the context of America's reaction to Chinese actions in the whole Central Asia and particular in the Republic of Kazakhstan. Even from the very beginning the U.S. didn't object such organization as SCO. It was due to the apparent leading position of China in SCO and not Russia. Thus, it was decisive and important for the U.S. as America always tried to keep the «containment policy» in relation to Russia. Hence, this approach identified the strategy of Washington built if not on a favorable, but at least on a neutral relation in regard to the penetration of Beijing on the territory of the Central Asian states. SCO gaining more importance on the international arena which causes the U.S. concerns as well as the EU concerns about its increasing influence in the region. The main reasons for the concerns are the real intentions of the organization. It wasn't understandable for the West what's SCO indeed. Is it economic union, political and military bloc or anything else? Also the question of the interactions of the members of the organization seemed unclear for them. And could SCO threat the sovereignty of Kazakhstan and the other Central Asian states? Thus, the important issue was concerning the real meaning of the relationship of «two big players» as Russia and

China regarding the Central Asian states. By the way, the U.S. began to think about the real character of SCO. It could be seemed for them as the anti-American one. SCO becomes more and more influential in the region. And the long ignorance of SCO by the West was just due to the absence of information about the real character and nature of the organization.

And finally the last one is a question concerning the possibility of matching the policy of SCO with the policy of the West in the region. In fact, while the establishment of the SCO in 2001 coincided with the deterioration of the tensions between the United States, Russia and China, the organization hasn't got the anti-American orientation. Washington has its own interests in the region which to some extent coincide with the interests of China and Russia, namely the interest in gaining the access to the oil and gas resources and ensuring their delivery as well as the fight against the terrorism. Nevertheless both countries appreciate the existed relations with Washington and do not want to worse them. Concerning the U.S. it is not interested in confronting the mutual relations of Russia and China in order to disintegrate SCO. And there are some reasons for it. First, the organization brings stability and the economic development in the interested region. Second, through the cooperation in the economic and political sphere, Russia and China, the two great nuclear powers can constrain each other in the framework of this regional institution which is again beneficial for the U.S.

The energy resources are the other important issue for the U.S. in the region. Indeed the main role of Kazakhstan's resources is not only to become an additional source of the oil imports as well as to increase a flow of oil coming from the countries which are not members of OPEC, but to influence the world oil market in order to reduce the influence of this organization. In other words, energy access, though important, is not and should not be the primary driver of the U.S. policy here (S.J. Blank, 2007). America taught by the experience of the OPEC's price collusion expects to get the first lever of the influence on pricing. In general the main focus for the implementation of the U.S. oil policy is due to the resources of the Persian Gulf. And the inclusion of the Caspian region into the "zone of the most important interests" is a safety step in a matter of ensuring the energy security. At the present time it's quite possible to see the success of the U.S. policy in the Caspian region. An important tool for the United States is a project of the Baku-Tbilisi-Ceyhan pipeline. This project solves the issue of the energy security and deals with the solution of geo-strategic challenges of the United States. However, this ambitious project mainly depends on the supply of the oil from Kazakhstan. Specifically, there is a certain risk in case of non-completion of the pipeline fully. Consequently, Washington, which was initially informed about the weak economic feasibility of the project aims at the strategic nature of the project.

By means of the pipeline construction, Washington gave a strong impetus to the Caspian states to increase the oil production significantly and thus, increase the supply of the global market. No doubt, existing oil production doesn't play a decisive role in the global pricing. However, in a case of a planned increase of the oil production in the Caspian Sea, exactly in the Kazakhstan sector, the situation may change in the world market.

So, Baku-Tbilisi-Ceyhan project gives Washington not only the possibility for the economic dividends in a long term perspective, but also realizes the American interest in weakening the policy of Russia in the interested region. This can be explained by the fact that the pipeline does not pass through Russia, but passes the countries which are in the States control. Washington's policy in Kazakhstan as well as in the Caspian region is an important element of the overall strategy in order to contain the Russian influence and strengthen its own positions. It should be noted some success of this policy, explained by the extensive presence of the American companies in the most significant oil and gas projects of the region.

In general the U.S. and the EU have some common interests and values in the region. For Europe and the United States the region is attractive for two main reasons. At first this is the action of the political imperatives. After the collapse of the Soviet Union on the territory of Central Asia appeared the geopolitical vacuum which was filled with the presence of such countries as the U.S. and China. The tragic events of September 2001 in New York and Washington stepped up the importance of South Asia, particularly Afghanistan. Central Asian region also became the object of an active American policy aimed at eradicating all the signs of the terrorism and the religious extremism. Secondly, the Western countries are seeking to develop the new markets for the natural resource extraction and the marketing of their products. In this case means a purely economic and commercial interest which is based on a pragmatic approach any of the capitalist state. However, it is the geo-economic realities that are closely intertwined with the political relations determine the overall balance of the actions and the future potential players. The most important issues for Central Asia itself cover a supply of the energy security and the prospects of integration processes.

So what are the basic differences in the policy of the representatives of the Western world? First of all, these are the ways of solving the problems concerning the military and political security. Europe and the U.S. define their approach as "soft power" and "hard power". The use of "hard power" is a characteristic of the United States for which it is usual to use the military assistance, often the decisive and the unilateral action in order to clear and exit from the conflict situation. The EU keeps the policy of so-called "soft power" by means of negotiations, the introduction of the improved standards of the international law and the various international institutions. The second difference is the involvement in the so-called «Great Game». The US



follows the principles which are described in a famous book of Z. Brzezinski «The Grand Chessboard». One of the main geopolitical goals for the U.S. is a gradual displacement of Russia and China in the Eurasian space. Particularly clearly this reflects in the case of the energy policy. For the U.S., the energy security is a global problem that affects the commercial benefits as well as the political expansion. To a greater extent it is the diversification of supply, aimed at the division of consumer prices from market imperfections and politically motivated crises of the states where there is a threat to the international security. In this sense the Caspian region may become important as the additional source of the energy in order to stabilize the world market and the relationship with OPEC.

The U.S. has some special interests in the Caspian energy projects that provide a diversification of supply to the European markets and maintaining the independence as well as a transition to democracy and the market relations in the region because they are also associated with the long-term realizable projects for the cooperation and trust with Afghanistan and South Asia. At the same time, Washington is very negative about the prospects of giving a benefit to Iran.

The EU considers the prospects of the Caspian region as the regional and commercial interests. The main task is to develop the new opportunities for the existing relationships and to facilitate the import dependence on the imported energy sources. This is particularly significant in light of the EU enlargement issue and the movement toward a liberalization of the prices in the energy market. However, this aim should be achieved without a disruption of the supplies from OPEC countries or reliable supply from Russia.

The EU lays its hopes on the possible increasing production volumes by improving the economic situation in the region. In addition, the relationship with Iran in trade and in the energy sphere pushes the EU to conduct a constructive policy. Europe even tends to consider the regional cooperation with Tehran as it convinced that without Iran the development of the region will be difficult and unproductive. The third point concerns the duration of the contracts and the duration of the overall policy in general. The United States aimed at obtaining the geopolitical supremacy in the region are developing the long-term plans. Their evaluation of the Central Asia region has got a real global character. This is evidenced by the opening of the military bases in Kyrgyzstan. Already at the beginning of the 1990s the U.S. began to keep a stable policy for all the Central Asian states and the Caucasus. The EU at that time dealt with the problems of its own arrangement associated with the expansion to the east and the adoption of a common constitution.

In its foreign policy the U.S. tries to identify a leader in the region giving the preference sometimes to Kazakhstan, and sometimes to Uzbekistan. The EU does not seek to find a support in the face of one of the states, as do the U.S., but establishes the bilateral contacts with all five republics equally. Also, the apparent difference is the fact that the EU has until recently considered the relationship with Central Asia through the prism of relations with Russia. The EU pursued a policy directly with the leadership of the Central Asian countries only after 2007, exactly after the adoption of the new strategic document initiated by Germany, thus minimizing the influence of Russia, especially in the field of production and transportation of the energy resources.

It should be noted the catalyst for the adoption of the new Strategy were the disputes between Ukraine and Russia in 2006. As a result the European states decided to intensify the cooperation with the Central Asian region.

The next difference is connected with the content of the EU. In the direct sense the EU is not a state or the international organization. Thus, it's possible to make two conclusions. The EU constantly faces the problem of finding a mutually acceptable solution. It's the complex process of the decision-making when it is necessary to coordinate the opinions of all 27 EU Member states. The administration and management of the organization is realized by the range of the supranational institutions (the European Council, EU Council of Ministers, the European Commission, etc.). These institutions have their own interests which do not always coincide with the interests of the biggest and the most influential EU Member States. On the one hand, the main problem for the coherent EU foreign policy was cautious attitude of the national governments which gave their foreign policy powers to the supranational bodies; on the other hand there were many differences to the approach of the foreign policy among the countries of the EU. Especially it concerned the solution of the specific international issues. And the second conclusion concerns the contradictions among the EU Member states. If France and Germany are the most active supporters of the intensified international coordination in the European Union, but the United Kingdom, Denmark and the Netherlands often express the restrained attitude to a common foreign policy of the EU (Burkhanov, 2005).

The most noticeable a difference in the views of the Member states on the issues of the energy security. For example, Italy and Germany in common accept Russia's policy, while the new EU member states namely Poland and Estonia do not want to expand Russia's influence.

For instance, Germany has got a special relationship with Russia which is evidenced by a signed agreement in 2004 with the purpose to build the North European Gas Pipeline. At the same time the Eastern and Central Europe are extremely concerned about the appearance of such

a contract. The eastern part of Europe depends mainly on Russian energy supply, while Spain and Portugal are more dependent on the supply from Algeria and Libya.

The U.S. is a state and has got a common and purposeful policy. It should be noted in the U.S. there are also some disagreements between the State Department, the Department of Defense, Congress, the interest groups and some political parties on the various issues as all of them are involved in the process of the decision making in the foreign policy of the state. However, this country has got a common single consensus regarding the conducting of the foreign policy. And even it's possible to state for the present time for the EU it's a real need to have a strong logic and a unified energy strategy. Another way for Europe will be very difficult to compete with the other influential «big players» which have their own interests in the Caspian region. Despite the manifest differences in the strategic lines of the two Western powers, however, they do have some common characteristics. Both parties are the importers of the energy resources. The important role in the regulation of this case is the relations of the EU with the United States as the diversification of the supply from the Caspian region are a priority for the both sides. Together the EU and the U.S. have the ability to concentrate a huge potential for the protection of their own plans which in some cases are interdependent. The extremely increasing influence of China is not benefit for the U.S. as well as the increased European dependence on Russia. It should be noted the easiest way connecting the Caspian oil to the world markets is Iran. But the U.S. certainly does not approve such a course of a transit.

In general based on the above arguments it is possible to make the following important conclusion. In contrast to the U.S. the EU is no longer guided by the geopolitical considerations, but purely by the pragmatic interests. Events of the recent years have put on the agenda the question of ending the dependence of the EU on the Arab oil. One of the most realistic prospects for Europe remains the Caspian oil. It's a real possible alternative for solving the appeared problem for Europe. The EU is interested in diversifying the energy sources and the routes of their transportation to Europe. It supports the construction of the new pipelines from the Caspian Sea, bypassing Russia. The EU has to be more active in the region and keep a balanced policy towards Central Asia which is the imperative of the economic interests and the energy security.

The U.S. is also very interested in the energy rich region, but places greater emphasis on the security issues, as well as the military presence in the region.

Moreover concerning Kazakhstan and the whole Central Asian region the U.S. is in constant competition with Russia and even keeps the policy of Russian containment in the region. And these arguments again stress the significance of the geopolitical considerations of the U.S.

#### 4.4. Iran

Justice and balance are the characteristics which reflect the policy of Tehran in Central Asia. The main priority for Iran is to safeguard its security and the territorial integrity (Sh. Hunter, 2007). And in general it's possible to point out some main tasks for Iran concerning the cooperation with the Central Asian region. So, one of the main issues of Tehran in relation to the Central Asian region is the security of its borders. Forming of good neighboring relations is important in the overall policy of the state in order to avoid the international isolation. Thus, Central Asia is considered as a possible basis for Tehran with the aim to normalize the relations with the EU and the states of South-East Asia. The basis for Iran's policy towards Central Asia is the Caspian problem. Even the advantageous geographic location of Iran provided the country with a real good opportunity to transport the energy resources of the region to the world markets. The legal access to the Caspian resources Tehran is trying to use as a participation in the Caspian affairs in order to strengthen its political influence in the region. And it is highly unlikely that Iran even in the long-term perspective will change its uncompromising position on the issue of a delimitation of the Caspian Sea. Since the existence of this problem can put pressure on Russia and the other Caspian states regarding the transportation of the energy resources.

So, the prospects of Iran's participation in the Caspian region, especially in the large-scale projects lead to some shifts in the emphasis of Iran's interests in the Caspian region. At first Iran must keep the most favorable relations with Russia and the Caspian nearest neighbors. Then, Iran moves away from the idea of gas supply to Europe via the South Caucasus and strengthen its role in the Caucasus natural gas market.

In the long term perspective it's not possible to exclude a meeting of the legitimate interests of Iran in the Caspian region through the involvement of this country in the process of a harmonization of the energy interests in Eurasia which could become a real tool to defend the position of Russia, Kazakhstan and the other CIS countries in addressing issues of the energy and security in the Middle East, and throughout whole Eurasia.

The accession of Iran to the SCO and the implementation of more intensive work in the field of the energy within the organization may have some serious consequences for Russia, China and Central Asian countries. Iran will be involved in work on the less competitive Asian market for Russia which means a less impact on the reduction of the share of Russian gas in relation to Europe. Therefore, the SCO countries and Russia will have a real tool to influence Iran's energy policy and consequently the policy of this country as a whole. Kazakhstan and the other countries of the region can not fully support Iran on the issue of taking Iran to the SCO as a full participant. But at the same time the Central Asian countries should not deprive Tehran a hope for the inevitable entry into the SCO with the long term perspective.

It should be noted Tehran in its policy paid much attention to the factor of the Economic Cooperation Organization (ECO). It's considered as the derivative of the joint diplomacy of Iran, Pakistan and Turkey in order to strengthen their economic cooperation. All five Central Asian states are the full members of ECO as well as the members of CIS. Presenting of the Central Asian states in ECO and at the same time in CIS explains small effectiveness of the organization. So, ECO was not able to act as an effective economic organization (Pahlevan, 1998).

Energy transport interests of Iran in Central Asia include at least three components. The first is ambitious, political and economic important goal concerning transforming Iran into the transport energy center in the region. The country offers the shortest and best routes for oil and gas output from the former Soviet republics of the Caspian Sea to then world markets. The government of Iran takes this idea as an axiom. The second component concerns a development of the new ways to export their energy resources and a consolidation of Iran in the new energy markets.

And the final issue deals with the provision of the reliable imported oil, gas and electricity to supply the northern refineries as well as gasification of the different regions of Iran. All three of these interests are interconnected and therefore should be considered in the complex.

Due to the geographically beneficial position in the energy transportation sector Iran has got more legitimate interests as well as the opportunities for their implementation than form example, in the extraction of the mineral resources in the Caspian Sea. Over the past 15 years Iran could develop oil and gas from Kazakhstan and Turkmenistan to meet the needs of its northern provinces. In addition to ensuring the supply of gas to their foreign markets another key issue for Iran is directing of the energy transport in the region to its territory. Concerning oil it refers to almost all the countries of the Caspian Sea and in the gas sector it mainly concerns Turkmenistan. Thus, for Iran it is very important that gas from Turkmenistan has not gone through the other projected gas pipelines. It should be noted, in cooperation with Turkmenistan Iran has got a real opportunity to rely on the positive and beneficial cooperation in comparison with the other states of the region. Two countries established the closest cooperation in the energy sector as well as in the other areas.

For today less likely a possibility for the realization an idea to transport Kazakh oil through the pipeline on the territory of Iran. In such case there could be developed two options. The first is a construction of the pipeline from the fields in Kazakhstan to the Iranian coast of the Gulf of Oman through the territory of Turkmenistan. Another option is the transportation of oil to the south of Iran by means of the new oil pipeline «Neka-Jask», which is from port on the Caspian Sea to the port in the Gulf of Oman. But this case, the delivery must be realized on the powerful tankers by the Caspian port exactly to «Neka» port.

Also there is an opportunity to exchange assets in Kazakhstan in the Caspian Sea to the Iranian fields in the Persian Gulf. But in many respects this possibility is more theoretical than practical one.

In general the relations of Iran with the Central Asian states are in the process of developing.

Also it should be taken into consideration Iran may be considered as a partner in the issue of security in the Central Asian region as the state positively influence the secure situation in Afghanistan. But it's also important to consider for the Central Asian countries the weakening or collapse of Iran as a regional force would have a direct economic and geopolitical consequences.

Concerning the EU it's quite acceptable to establish for Europe a good cooperation with Iran within the framework of EU-Central Asian relations. It will give the positive effects and more than it the partnership will bring a real support for the implementing some points of the developed European Strategy, especially in the issues concerning the energy sector.

#### **4.5. Turkey**

After the collapse of the Soviet Union Turkey was one of the first countries which recognized the independence of the former Soviet republics.

Also it was among those countries that have officially established the diplomatic relations with all Central Asian countries. Thus, that time Turkey became one of the key players, competing for the influence and promoting its interests in the region. Turkey saw its role as a state which connects East and West and as a representative of its Western partners in the Central Asian region. In the Caspian Sea Turkey acted with caution, its policy could be described as balanced and restrained. Ankara was interested in keeping good relations with Russia as the economic cooperation of Turkey with this country developed rapidly. So the interests of Turkey in the Caspian region are as follows.

The main success of Turkey was in strengthening its economic presence after gaining the independence by the Central Asian countries. And in future Turkey should continue to support the political and economic independence of Central Asian countries. It should be interested in the political stability in these countries especially during the change of power. Ankara should encourage the participation of Kazakhstan in the Baku-Tbilisi-Ceyhan pipeline.

Thus, Turkey's main interests in the Caspian region are as follows. At first is a strengthening of the international position at the expense of the Caspian Sea. The long-term goal in this context is a desire to achieve a full membership in the EU, which for various reasons at this stage seems unreal. Thus, oil reserves of Central Asia could be considered as the additional levers of influence on Europe as well as a promotion in economic and political integration of

Turkey into the structures of the EU. But for today the European politicians do not react positively on such Ankara's endeavors. The positions of Turkey as a transit country in the eyes of Europeans are not stable enough. The third is a provision of the energy supply to the domestic market. Even Turkey in terms of the energy resources is considered as the importing state. Ankara's alliance with Washington could negatively affect on its relations with the states of the Middle East. It's explained by not friendly and partnership relations of the U.S. with the Arab countries. Then, a control over the export flows of the Caspian hydrocarbons to the world markets and as a consequence the implementation of the first defined problem related to a strengthening the international position of Turkey. It could be explained by the dominance and driving force of Ankara in Baku-Tbilisi-Ceyhan pipeline project.

Turkey undertook a number of some severe measures that restrict a passage of the oil tankers on its territory with the aim to increase the attractiveness of this project. Thus, reduced a role of the pipeline oriented to the Russian port of Novorossiisk. Ankara motivated its measures by the ecological value of the channels.

However, Ankara's position in Central Asia, especially in Kazakhstan is not as strong as for example in Azerbaijan. Perhaps this is due to the fact that the Central Asian states have not taken the original pan-Turkic ideas of Turkey in the early years of independence continue to fear the active Turkish ambitions in the region, including the Caspian Sea. The Central Asian states prefer to build a relationship with the West directly. In addition later was arisen a question about the strength of the US-Turkish strategic alliance. Washington, expressing a support for Turkey, however was guided solely by own interests.

Thus, Turkey could be considered as a direct partner of the Central Asian region in many areas, but not affecting on the policy of the EU in the region.

Or in case of any influence that would be only positive due to some own strategic aims of Turkey concerning the future integration to the EU. But for today the desire of Turkey of joining to EU seems unrealizable.

## **Conclusion**

In the recent years the EU really intensified the activities in Central Asia implementing such a program as «The Strategy for a New partnership for 2007-2013». According to the policy of the EU in this program it's possible to conclude that one of the main problems of the European countries is to ensure the EU with the energy security. The European Union considering rapidly increasing energy consumption tends to avoid the dependence on Russian oil and gas through a policy of «soft power» in Central Asia.

Thus, a policy of the EU in the region is implemented within the framework of the Strategy adopted in 2007. Implementing this document the EU countries for the first time clearly formulated and announced their intentions and interests in the region since the collapse of the USSR. The adoption of this Strategy demonstrated the recognition of the importance of Central Asia to Europe's strategic interests in terms of security, stability, management, and a diversification of the energy resources. A later recognition of the importance for the EU the countries of Central Asia is due to the fact that after the formation of the new independent states the main interest of the EU was in the other regions, particularly in Russia as an important energy supplier, in the Baltic states and Ukraine as a prospective EU members and so on. Thus, almost the first decade after the formation of the new independent states the Central Asian countries were not included in the European interests. However, the beginning of the anti-terrorist actions in Afghanistan and the rise of prices in the world for the minerals changed the situation and the EU policy in the region.

Adoption of the New Partnership Strategy marked a new stage in a development of the relations between Europe and Central Asia. However, despite the existence of the Strategy from 2007 the process of approaching of the EU with the Central Asian states can not be evaluated as an active one. And this could be explained by several reasons. Here are some of them.

- 1) The EU does not make full use of its geopolitical potential in the region and also has got the other priority areas of influence, such as Eastern Europe, the Balkans and the Mediterranean.
- 2) The EU is concerned about the competition from the other powerful «players» in the region, such as Russia, China and the U.S.
- 3) The existence of a complex decision-making mechanism within the European Union is a real barrier for obtaining the strategic objectives of the EU.
- 4) In the EU there are a lot of internal problems including differences in the economic and political development of the new and old members.



Consequently, it is reflected in a weak presence of the EU in the region. Nevertheless the EU as a major geopolitical player makes the efforts to become more active in the region and a policy of the new partnership between Europe and Central Asia though belated proves that Central Asia is strategically important for Europe and a factor of safety of the Central Asian region is the aspect of the European security space. Thus, the fundamental interests of the EU in Central Asia are the following.

1. **Stability.** The EU is interested in stability in Central Asia as the stability of Central Asian countries to a certain extent concerns the sustainable development of the European Union. In this context is important the aspect of a stable situation in Afghanistan.

2. **A diversification of the energy supply.** It is common known the energy consumption in the European countries is mainly covered by the imported energy as a supply of the traditional energy sources of the hydrocarbon is limited in Europe. For the present time the attention of the EU is focused on the diversification of the potential suppliers and delivering of the resources to the EU. In this regard considering the raw potential of Central Asia and its location at the crossroads of Europe and Asia the region is recognized by the EU as an important energy and transport hub.

3. **Sales market.** The Central Asian region is 60 million potential consumers. It could be stated the European countries are attracted by the rapid growth of the population in Central Asia and the pace of the economic development in some countries of the region.

The Central Asian states also have their own interests in cooperation with the EU. For Central Asia the Strategy of the EU is an important phase in its relations with Europe and is of great importance as it gives an opportunity to implement the regional projects that promote an active integration of Central Asia into the global community. So, Central Asian countries challenge to realize the potential that contains the document. Thus, the main interests for the countries of Central Asia are the following.

1. **Engaging the new technologies and the investments of the EU.** In order to create the competitive industries for the Central Asian countries are necessary the latest know-how in technology, marketing, organizations and financing. And also in order to create its own know-how in a perspective there is a necessity to attract the investments and a mutually beneficial exchange, or a purchase of the European know-how.
2. **Ability to diversify the energy exports.** For the Central Asian countries access to the European markets will provide such benefits as an increased geopolitical weight, the

increasing level of the energy independence, a provision of the new energy markets and finally is the independent pricing policy.

**3. Support and assistance in the process of integration into the world community.**

The EU is an active participant in all major international organizations and has got a real significance in these organizations which may support the early entry of the Central Asian countries to such international associations and organizations.

**4. Experience of the EU.** For the countries of Central Asia is very important the European experience in many spheres, such as a formation of the market structure, restructuring the economy, industries and the enterprises, experience of integration, etc.

Almost 5 years of implementing the Strategy of the EU shows the relations between the EU and the Central Asian countries are stable. And it should be noted the Strategy is the proposal of the EU and does not oblige the countries of the region to implement it. In addition it should be considered no mechanism guarantee the success of its implementation.

Currently the EU priorities are to strengthen the energy security as well as the efficiency of the resource usage and the improving of the transport system. Considering these priorities the government of Kazakhstan can initiate the projects in these areas which in the long term perspective will ensure a closer cooperation in all the fields of the bilateral cooperation.

Thus, to improve the efficiency of the cooperation between two regions it's possible to give the following recommendations.

At first taking into consideration the energy security is a priority for both the EU and for Kazakhstan it is advisable to develop a project on the energy security which will take into account the interests of both parties. Thus, Kazakhstan can guarantee to Europe the access to the energy resources in exchange for a modern innovation and technology.

Kazakhstan needs to develop the infrastructure projects it is also the interest of the European countries. Consequently, using a huge potential of the EU in this area it is expedient to develop the following projects.

1. Establishment of the Eurasian land transport corridor;
2. The development of the pipeline system;
3. A creation of the innovative development areas;
4. Development of information technology and modern means of communication;
5. Forming the global financial and trading centers.

Thus despite all the barriers in cooperation between the EU and Central Asia the EU will always be one of the most important geopolitical and geo-economic «player» with a great importance for the development of Central Asia.

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## Annex I

### Map of Central Asia

